

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

**UMB BANK, N.A.,**

**Plaintiff,**

**v.**

**ALL COMMERCIAL FLOORS, INC.,**

**Defendant.**

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**Civil Action No. 4:21-cv-01154-O**

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**SIXTH RECEIVERSHIP REPORT  
(REPORTING PERIOD: MARCH 1, 2022 – MARCH 31, 2022)**

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Jeff Merritt, the court-appointed receiver herein (the “Receiver”), submits for the consideration of the Court the following information regarding the status of the Receivership, asset collection efforts, and other ongoing activities. Unless otherwise stated herein, the information in this report is current as of March 31, 2022. The Receiver will supplement this report as required by the Court, as circumstances develop, and/or if the information herein materially changes.

**BACKGROUND**

1. On October 22, 2021, the Court entered the Order (Docket No. 7) (the “Order”) appointing the Receiver. The Order requires, *inter alia*, that All Commercial Floors, Inc. (the “Company”)<sup>1</sup> surrender to the Receiver all of the property of Company (the “Existing Property”), empowered the Receiver to control the Property and to recover any other property, interests in property, assets, and/or claims of Company (collectively and together with the Existing Property, the “Property”), and to take any other actions necessary for the Receiver to administer the Property.

2. The Order further requires a monthly Receivership Report (as defined in the Order) by the Receiver as to all of the income received and expenses paid for the previous month.

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<sup>1</sup> Where applicable, the term “Company” for purposes of this report shall also mean and refer to the receivership estate.

3. The Receiver to date has filed the following Receivership Reports prior to the filing of this Receivership Report, all of which are available on the docket of this case.

<b>Docket No.</b>	<b>Start Date</b>	<b>End Date</b>
8	10/22/2021	10/31/2021
14	11/1/2021	11/30/2021
18	12/01/2021	12/31/2021
27	n/a (supplement)	n/a (supplement)
29	1/01/2022	1/31/2022
32	02/01/2022	02/28/2022

### **ACTIVITIES OF THE RECEIVER**

4. During the Reporting Period, the Receiver adhered to the Receivership Order and commenced, and/or continued, without limitation, the following activities.

- a. Further worked on and maintained the 13-week cash flow projection model with weekly updates and extensions, and continued to manage cash flow.
- b. Continued the review of cash flows, reviewed contracts and/or invoices.
- c. Interacted with the UMB Bank N.A. and employees of the Company to continue management and control of cash and cash disbursements.
- d. Responded to requests for information from customers and creditors as appropriate.
- e. Directed payment of critical employees, necessary professional fees, and other necessary costs incurred by the Company and/or the Receivership.
- f. Conducted an auction on all remaining inventory, furniture, and equipment at 1313 Avenue R.
- g. Resolved ad valorem tax claims relating to the proceeds of the auction.
- h. Conducted move out of the Company's warehouse space in Grand Prairie and the offices of the (former) Company at 1313 Avenue R.
- i. Continued efforts at collection of past due accounts receivable, evaluated future, contingent, and/or hypothetical warranty claims from some customers as alleged grounds to withhold payment, transmitted a first round of demand letters to customers.

5. In light of the substantial and overwhelming deficiency claim of the UMB Bank, the Receiver still does not foresee conducting a formal claims process and/or procedure through this action or otherwise under the receivership.

### **INCOME AND EXPENSES**

6. The cash receipts and disbursements of the Company under the Receivership for the Reporting Period are shown in **Exhibit JM006**, attached hereto and incorporated by reference herein.

7. *Cash inflows.* During the Reporting Period, the Company under the Receivership received cash in the total amount of \$247,536.42, derived almost exclusively from the collection of accounts receivable.

8. *Cash outflows.* During the Reporting Period, the Company under the Receivership disbursed cash in the total amount of \$230,183.00.

- a. The largest expenditure was for rent in the amount of \$71,493.01.
- b. The second largest expenditure consisted of payment of fees and expenses of the Receiver in the amount of \$41,894.99.
- c. The third largest expenditure consisted of payroll in the amount of \$39,163.86.
- d. The Company during the Reporting Period was slightly cash flow positive in the amount of \$17,354.00.
- e. The net cash and/or cash on hand remaining upon the conclusion of the Reporting Period has remained in the Company under the Receivership for use by the Company, as directed by the Receiver, in furtherance of the prosecution of the Receivership. As of the date of this report, the Lender has not exercised any rights against such cash beyond the rights contained in the applicable forbearance agreement.

Dated: April 20, 2022

Respectfully submitted:

WEYCER, KAPLAN, PULASKI & ZUBER, P.C.

By: /s/ Jeff Carruth

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ATTORNEYS FOR

JEFF MERRITT, RECEIVER

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## EXHIBIT JM006

Sources & Uses of Cash March 2021	
<b>Sources of Cash</b>	
Customer deposits	247,536.42
Auction proceeds	-
Parasell sublease	-
	<b>\$ 247,536</b>
<b>Uses of Cash</b>	
Bank charges	1,082.19
Installers pay	11,821.85
Insurance	14,859.84
IT	3,518.51
Loan sweeps - net	23,234.86
Merritt Advisors	41,894.99
Payroll	39,163.86
Postage	111.41
Rent	71,493.01
Textura charge	76.29
Trash removal	3,204.85
Utilities	4,720.97
Waycer Kaplan	15,000.00
<b>Total Uses of Cash</b>	<b>\$ 230,183</b>
<b>Net Cash Flow</b>	<b>\$ 17,354</b>
<b>Net Borrowings</b>	<b>\$ (17,354)</b>